

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7108

BILL NUMBER: HB 1008

NOTE PREPARED: Jan 9, 2006

BILL AMENDED:

SUBJECT: Public-private agreements for transportation.

FIRST AUTHOR: Rep. Borror

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: This bill has the following provisions:

Public-Private Agreements: It amends the current laws concerning toll roads and tollways and adds new provisions to authorize the Indiana Finance Authority (Authority or IFA) to enter into public-private agreements with private entities (operators) concerning:

- (1) toll road projects; and
- (2) tollway projects, intermodal facilities, roads, airports, transit facilities and equipment, and other transportation facilities and infrastructure.

It provides that the public-private agreements may be for any combination of the planning, acquisition, construction, improvement, extension, operation, repair, maintenance, and financing of projects. It provides that a public-private agreement is subject to the approval of the governor after review by the Budget Committee.

It establishes procedures for selection of operators by the Authority.

Toll Rate Setting: It permits the Authority to establish user fees and tolls, including maximum tolls and user fees and criteria for the adjustment of those maximums.

Moral Obligation: It provides that, with the approval of the Budget Director after review by the Budget Committee, a public-private agreement may include a moral obligation of the state to pay certain costs incurred under the agreement.

Electronic Toll Collection Systems: It provides that a public-private agreement may include provisions concerning electronic toll collection systems and photo or video based toll collection enforcement systems.

User Fees and Enforcement Procedures: It authorizes the Authority to adopt emergency rules concerning user fees under a public-private agreement and enforcement procedures and assessments for failure to pay required tolls, including electronic and photo or video based collection enforcement.

Northwest Indiana Regional Development Authority Payments: It provides that certain payments required to be made to the Northwest Indiana Regional Development Authority (RDA) upon the sale or lease of the Indiana Toll Road may be made from the state General Fund or the proceeds of a public-private agreement (current law provides for payment from the state General Fund).

Property Tax Exemption: It provides that property leased or acquired by an operator for a public-private project is exempt from property taxes.

Income Tax: It provides that an operator's income from a public-private agreement is subject to taxation in the same manner as income received by other private entities.

Use of Revenues from Toll Road Revenues: It provides that revenues from a public-private agreement with respect to a toll road shall be deposited in the toll road fund and used to:

- (1) retire certain outstanding bonds and pay amounts owed by the authority with respect to a public-private agreement;
- (2) fund projects identified in the Indiana Department of Transportation (INDOT) long range comprehensive transportation plan;
- (3) fund roads, bridges, public transit facilities and equipment, airports, and other projects designed to facilitate the movement of people, goods, services, and information in the counties that are traversed by a toll road project and the cities and towns in those counties; and
- (4) fund distributions to the RDA or fund other projects authorized to be undertaken by RDA under existing law.

Use of Tollway Revenues: It provides for the distribution of revenues from a public-private agreement with respect to a tollway to the Major Moves Construction Fund, to the State Highway Fund, to INDOT for use on other projects designated by INDOT, or to the operator, the Authority, or INDOT for debt reduction.

Technical and Conformance: It makes technical corrections and conforming amendments.

Retroactive Authorization: It validates any action taken with respect to public-private agreements entered into by the Authority before the effective date of this bill that would have been valid under this bill.

State Board of Accounts Audit: It requires the State Board of Accounts to audit the accounts and records concerning the operation of each toll road project by the Authority for each state Fiscal Year beginning after June 30, 1996, and ending before July 1, 2006.

Effective Date: Upon passage.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact*

statement.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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